



County of Los Angeles
CHIEF ADMINISTRATIVE OFFICE

713 KENNETH HAHN HALL OF ADMINISTRATION • LOS ANGELES, CALIFORNIA 90012
(213) 974-1101
<http://cao.co.la.ca.us>

DAVID E. JANSSEN
Chief Administrative Officer

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Third District

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Fifth District

June 21, 2006

To: Mayor Michael D. Antonovich
Supervisor Gloria Molina
Supervisor Yvonne B. Burke
Supervisor Zev Yaroslavsky
Supervisor Don Knabe

From: David E. Janssen
Chief Administrative Officer

**QUARTERLY REPORT FOR REQUEST FOR PROPOSALS FOR MEDICAL
MALPRACTICE AND HOSPITAL LIABILITY CLAIMS ADMINISTRATION AND
LEGAL DEFENSE MANAGEMENT SERVICES**

On December 20, 2005, on a motion by Supervisor Yaroslavsky, your Board instructed the Chief Administrative Office (CAO) to facilitate the creation of a working committee, with representatives from the Departments of Health Services, Coroner, Mental Health, Sheriff, Fire, and County Counsel, to develop program performance and requirement language for the solicitation of medical malpractice and hospital liability and legal defense management (medical malpractice) services; meet regularly and work collaboratively with the working committee towards the development of a Request for Proposal (RFP); provide a written plan of action and timeline to your Board in 30 days; and provide quarterly reports to your Board until recommendations for medical malpractice services are presented to your Board. On March 23, 2006, the CAO provided your Board the first quarterly report concerning the medical malpractice RFP. This memorandum is the second quarterly report concerning the medical malpractice.

The medical malpractice RFP was released on April 20, 2006. The RFP was advertised in various newspapers and made available on the County of Los Angeles (County) bids web site. The CAO, in collaboration with the working committee that wrote the RFP's statement of work, developed a number of RFP requirements to improve and strengthen the contractor's medical malpractice claim adjusting services. The enhanced requirements included:

- Revised contract rates from an hourly billing rate to a flat fee billing rate to align the contract's pricing structure with insurance industry standard billing methods.

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- Excluded employment practice liability (EPL) claims administration services from the statement of work to better focus the contractor's services solely on medical malpractice claims. EPL claims administration services could be performed by Carl Warren and Company, the County's current third party claims administrator (TPA) for general and employment liability claims.
- Increased medical malpractice TPA participation in roundtable meetings to facilitate fact evaluation and assist in the development of medical and legal theories, litigation strategy, potential risk management issues, and possible corrective action.
- Inserted provisions for performance and financial incentives based on annual performance audits.

Bid proposals were received by the June 8, 2006 due date and the evaluation committee is evaluating the proposals. The evaluation committee is comprised of representatives from County Counsel, Department of Health Services, Sheriff, CAO, and the CAO Risk Management Advisory Committee.

On January 19, 2006, the CAO provided your Board a timeline of major milestones to complete the medical malpractice RFP process. Based on progress to date, the evaluation committee is on schedule to evaluate the bid proposals, and as indicated in the timeline, the CAO will submit recommendations to your Board for medical malpractice services in September 2006.

If you have any questions, please contact me or your staff may contact Rocky A. Armfield, County Risk Manager, at (213) 351-5346.

DEJ:RAA
CA:JWS:sg

c: Executive Officer, Board of Supervisors
County Counsel
Coroner
Fire Department
Department of Health Services
Department of Mental Health
Sheriff